

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
801 WEST BADGER ROAD
MADISON, WISCONSIN 53702**

CORRESPONDENCE MEMORANDUM

Date: January 31, 2003

To: Group Insurance Board

From: Sonya Sidky, Project Manager
Division of Insurance Services

Re: 2003 Dual-Choice Enrollment Results

The purpose of this memo is to highlight and explain major shifts in enrollment by health plan resulting from the 2003 Dual-Choice enrollment period. This report is for information only, no Board action is required.

Attached are the 2003 Dual-Choice charts for Active State Employees, Total Contracts, State Annuitants, Graduate Assistants, and Local Employees. These charts illustrate the changes in the number of contracts by health plan from December 2002 to January 2003 that result from a decision made during Dual-Choice. The number of contracts added by health plan in 2003 and deleted by health plan in 2002 is broken down by coverage type (single and family). The percentage change in total contracts for each plan is included.

Approximately 10,559 applications were submitted during the Dual-Choice enrollment period. Active State Employees accounted for about 70 percent (7401) of the applications. Although there were roughly the same number of Dual-Choice applications submitted for 2003 as there were for 2002 (10,211), there was a higher proportion of "voluntary" changes for 2003. Almost half of the changes in 2002 were due to Compicare Blue Southeast pulling out of the program while Security Health Plan pulling out of the program for 2003 only accounts for about 19% of all changes.

The large number of changes for 2003 can be explained by the increase in cost of Physicians Plus and Valley Health Plan to state employees and the growing presence of Humana Western as a generally no cost health plan in a number of counties.

CHANGES IN HEALTH PLANS

Security Health Plan withdrew from the program for 2003. This resulted in 1968 subscribers selecting other health plans. Major movements include:

- Compicare Blue North picked 77% of these contracts (1514), mostly in the following counties:
 - Oneida—332
 - Portage—316
 - Marathon—268

- Lincoln—241
- Wood—203
- Atrium (136), GHC Eau Claire (125), and the Standard Plan (128) each gained over 100 contracts from Security Health Plan.

The majority of Security contracts were picked up by Compcare Blue North since there was a considerable overlap in service area and provider panel. The main areas covered by Compcare Blue North and formerly covered by Security Health Plan include clinics in the following counties: Clark (Neillsville), Langlade (Antigo), Lincoln (Merrill and Tomohawk), Marathon (Wausa), Oneida (Rhinlander and Minocqua), Price (ParkFall), Portage (Stevens Point), Taylor (Medford), and Wood (Marshfield and Wisconsin Rapids). Over half of all Security Health Plan Primary Care Providers (PCP) are in the Compcare Blue network.

HMO CONTRACTS GAINED AND LOST

Major contract gainers include:

- Unity UW had a net gain of 2690 contracts which represent a 36% increase in contracts
- Compcare Blue North had a net gain of 1409 contracts which represent a 57% increase in contracts
- Humana Western had a net gain of 1251 contracts which represent a 98% increase in contracts

Major contract losers include:

- Physicians Plus had a net loss of 2875 contracts which represents a 26% decrease in contracts
- All of Security Health Plan's 1968 contracts switched to other plans
- Valley Health Plan had a net loss of 1254 contracts which represents a 40% decrease in contracts

CONTRACT SHIFTS BETWEEN HEALTH PLAN

Of the 10559 changes, the major shifts between plans were:

- 2491 switched from Physicians Plus to Unity UW
- 1514 switched from Security Health Plan to Compcare Blue North
- 1120 switched from Valley Health Plan to Humana Western
- 469 switched from Touchpoint to Network Health Plan
- 410 switched from Humana Eastern to Compcare Blue Aurora Family
- 408 switched from Physicians Plus to Dean

The majority of contracts gained by Unity UW and lost by Physicians Plus were the result of the relative change in price of these plans from 2002 to 2003 in Dane County. The price of a family contract for Physicians Plus increased from \$4.55 to \$49.31 while the price for Unity UW decreased from \$20.05 per month to no cost.

Humana Western gained over a thousand contracts because it increased its presence in several counties from 2002 to 2003 and became cheaper relative to Valley Health Plan in several counties. Humana Western entered Florence, Iron, Marinette and Sawyer counties as a non-qualified plan and newly qualifies in Barron, Burnett, Chippewa and

Douglas counties. Humana Western gained a number of contracts from Valley Health Plan in the following counties:

- Eau Claire (588). Valley Health Plan rose in cost for a family contract from no cost in 2002 to \$94.70 in 2003 while Humana Western remained a no-cost plan.
- Dunn (321). Valley Health Plan rose in cost for a family contract from no cost in 2002 to \$76.12 in 2003 while Humana Western remained a no cost plan.
- Chippewa (87). Valley Health Plan rose in price from \$23.84 in 2002 to \$94.70 in 2003 a month for a family contract while Humana Western dropped in price from \$1.14 in 2002 to no cost in 2003.
- Barron (73). Valley Health Plan rose in price from \$23.84 in 2002 to \$94.70 in 2003 a month for a family contract while Humana Western dropped in price from \$1.14 in 2002 to no cost in 2003.

CONTRACT SHIFTS BY COUNTY

Dane County

Of the 3787 changes filed in Dane County, the major shifts were:

- 2490 switched from Physicians Plus to Unity UW
- 342 switched from Physicians Plus to Dean
- 100 switched from Dean to Unity UW
- 92 switched from GHC SC to Unity

As described above, the relative cost to employees went up for Physicians Plus and went down for Unity UW. Although, GHC SC and Dean remain no-cost plans to active state employees in 2003, there were shifts from these plans to Unity, which cost state employees more (\$20.05) for a family contract in 2002.

In Dane County, Physicians Plus had a net loss of 2812 contracts and Unity had a net gain of 2713 contracts.

Eau Claire County

Of the 858 changes filed in Eau Claire County, the major shifts were:

- 588 switched from Valley Health Plan to Humana Western
- 43 switched from Security Health Plan to Atrium
- 37 switched from Valley Health Plan to Atrium
- 36 Switched from GHC Eau Claire to Atrium
- 27 switched from Valley Health Plan to GHC Eau Claire

Although Atrium Health Plan was available in Eau Claire County in 2002, it became a qualified plan in the county in 2003. In 2002, Atrium, GHC-Eau Claire, Humana Western and Valley Health Plan were all no-cost plans to state employees. In 2003, only Atrium and Humana Western remained no cost to state employees. As stated above, the cost of Valley Health Plan to state employees increased dramatically.

In Eau Claire County, Humana Western had a net gain of 630 contracts while Valley Health Plan had a net loss of 654 contracts. Atrium had a net gain of 123 contracts.

Milwaukee County

Of the 615 changes filed in Milwaukee County, the major shifts were:

- 404 switched from Humana Eastern to Compcare Blue Aurora Family
- 41 switched from Standard Plan II to Humana Eastern
- 24 switched from the Standard Plan to Humana Eastern

Humana Eastern went from being a no-cost plan to state employees in 2002 to costing \$51.73 per month for a family contract in 2003. The relative cost of the Standard Plans also rose from 2002 to 2003 with the employee cost of the Standard Plan rising from \$884.41 to \$1019.63 a month and the cost of Standard Plan II rising from \$191.51 to \$282.93. As a result, Compcare Blue Aurora Family became relatively cheaper in 2003 and is the only no-cost plan available to state employees in Milwaukee County in 2003.

In Milwaukee County, Compcare Blue Aurora Family had a net gain of 411 contracts while Humana Eastern had a net loss of 323 contracts.

Winnebago County

Of the 493 changes filed in Winnebago County, 342 switched from Touchpoint to Network health Plan

In 2002, both Touchpoint and Network Health Plan were no-cost plans to state employees, while in 2003 a state employee pays \$6.74 for a family contract. This may explain the changes from Touchpoint to Network Health Plan.

In Winnebago County, Network health Plan had a net gain of 348 contracts while Touchpoint had a net loss of 417 contracts.